



Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Balva Financial Corporation

File: B-235872

Date: September 21, 1989

DIGEST

Cancellation of invitation for bids after bid opening is justified where solicitation evaluation scheme would not ensure that award would be based on most advantageous price to government.

DECISION

Balva Financial Corporation protests the cancellation, after bid opening, of invitation for bids (IFB) No. DAKF40-89-B-0075, issued by the Department of the Army for the lease of motor vehicles at Fort Bragg, North Carolina. The Army states that the IFB's evaluation scheme was defective and would not insure the lowest overall cost to the government. Balva argues that the agency lacked a compelling reason for cancellation.

We deny the protest.

The IFB, issued as a 100 percent small business set aside, sought the lease of eight trucks for a 6-month period with an option to extend the lease for another 6-month period and with options to purchase the trucks after the base period and the option period. The IFB provided for multiple awards to the responsive, responsible bidders submitting the lowest prices on the total amount of all line items or combination of items.

The Army received six bids, including two bids from Balva. The contracting officer concluded that the evaluation scheme for award was flawed because it called for evaluating the

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price of the trucks twice, after the base period and after the option period. On this basis, the contracting officer concluded that she could not be sure that the government would receive the lowest overall price.

Although a contracting officer has broad discretion to cancel an IFB, there must be a compelling reason to do so after bid opening because of the potential adverse impact of cancellation on the competitive bidding system after bid prices have been exposed. See Federal Acquisition Regulation (FAR) § 14.404-1(a)(1) (FAC 84-5). We have recognized that where an IFB evaluation scheme will not insure that award would be based on the lowest cost to the government that the IFB is materially deficient and cancellation after bid opening is proper. Earthworks of Sumter, Inc., B-232067.2, Jan. 5, 1989, 89-1 CPD ¶ 9.

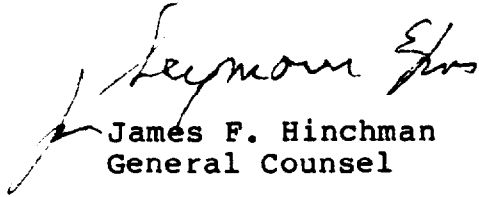
The protester argues that the agency lacked a compelling reason to cancel the IFB after bid opening because the IFB evaluation scheme is unambiguous and the agency has not shown that bidders were prejudiced by the evaluation scheme. Balva also contends that if award could not be made for all line items that it is entitled to award of those items for which it was low.

We find that the contracting officer acted reasonably in determining that the evaluation scheme was flawed and in canceling the IFB after bid opening. The FAR provides that where a procurement is conducted by sealed bidding that award will be made to responsible, responsive bidder submitting the most advantageous price to the government. FAR § 14.101(e) (FAC 84-18). The contracting officer reasonably concluded that the government would not receive the most advantageous price from an evaluation scheme that provided that the trucks would be evaluated for purchase twice. Since the solicitation was materially deficient, cancellation was proper. The protester's argument that cancellation was improper because the evaluation scheme was unambiguous and bidders were not prejudiced is irrelevant because the solicitation did not provide that the government would receive the most advantageous price.

Balva also argues that if it is not entitled to award as the low bidder on the total of all line items that it should receive award of those line items for which it was low bidder. We do not agree. It would not be appropriate for

the Army to make a partial award under an evaluation scheme that the agency has concluded is defective. Rather, we think the Army acted reasonably in deciding to cancel the IFB and resolicit the requirements.

The protest is denied.


James F. Hinchman
General Counsel